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INSPECTOR GENERAL NOTES MMS'S SUCCESS IN
IMPLEMENTING COMPLIANCE ACTION PLAN

A report by the U.S. Department of the Interior's Office of the Inspector General concluded that the Minerals Management Service (MMS) has made significant progress in implementing the 26 recommendations of an internal Task Force on Royalty Compliance. MMS's Compliance Action Plan outlines the action elements and steps necessary to implement the goals established by the Task Force, which was created to enhance the royalty compliance program in a manner dedicated to excellence and responsiveness to the Department's constituents.

The Task Force recommendations were designed to encourage voluntary payor/producer compliance by clarifying existing laws and regulations, fully integrating Royalty Management Program compliance activities, increasing the use of automated systems to determine royalty compliance, and developing improved methods for measuring overall royalty compliance.

"The Compliance Action Plan is a success story for MMS, the oil and gas industry and the American public," said MMS Director

Cynthia Quarterman. "The plan's successful implementation reflects smoother transactions that are less error prone--resulting in cost and time savings for all parties."

The Plan is part of MMS's overall effort to streamline regulations by clarifying procedures and including affected parties in decisions that affect them. MMS's overall strategy is to facilitate prompt, accurate royalty payments by providing clear, understandable instructions.

MMS is the federal agency that manages the nation's natural gas, oil and other mineral resources on the Outer Continental Shelf, and collects and disburses about \$4 billion yearly in revenues from offshore federal and mineral leases and from onshore mineral leases on federal and Indian lands.

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